

# **Draft Refined Incremental Proposal**

GAC WS 2

### What is the incremental proposal?

The process by which capacity demand beyond the offer of existing capacity can be satisfied in a market-based manner, if the necessary investments are efficient and financially viable.



#### **Amendment of CAM NC**

- Extending the scope of the Regulation
- Amending the auctioning principles where necessary
- Addition of co-ordination and transparency requirements
- Addition of Open Season procedures as allocation mechanism



#### **Chapter VIII of Draft Tariff NC**

- Covering principles of the Economic Test
- Covering principles of tariff setting for incremental and new capacity



#### Three process phases with network user involvement

Demand assessment phase

- NU input to the **demand assessment** by providing non-binding indications
- Estimated duration ≈ 6 8 months

**Design phase** 

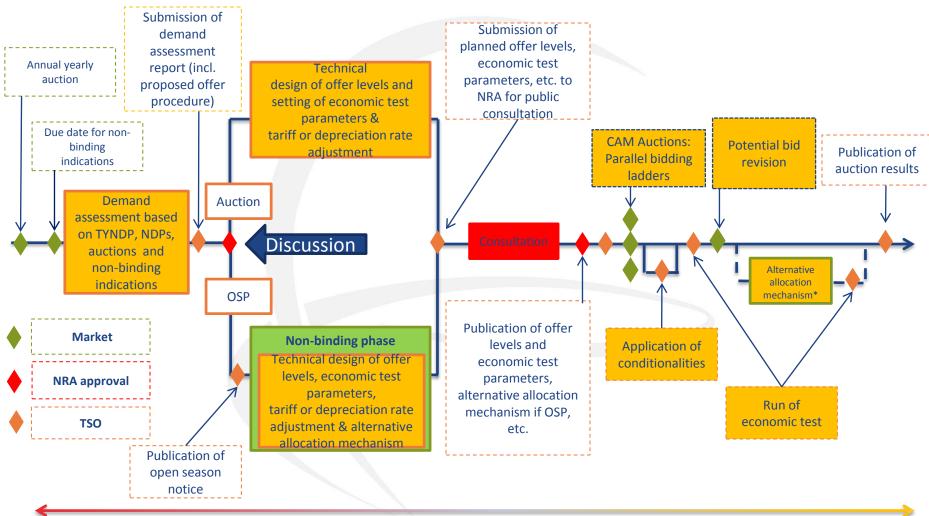
- NU input to the **design of offer levels and economic test parameters** by responding to the public consultation
- in case of open seasons NU input in the non-binding phase and via open season notices
- Estimated duration ≈ 10 18 months depending on characteristics of the project

Market test phase

- NU input to the **economic test outcome** by participating in the auction or the binding phase
- Estimated duration ≈ 1 -3 months



## **Proposed streamlining of INC process**

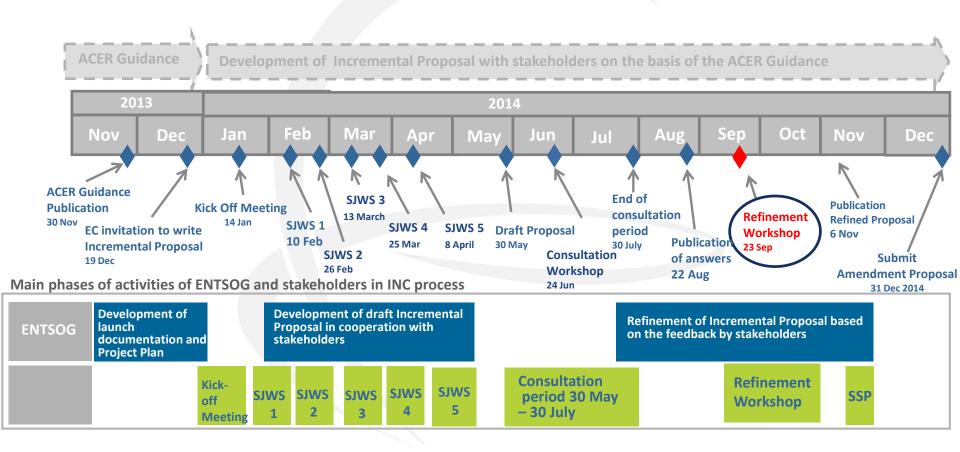


Ongoing co-ordination among TSOs and NRAs involved along the process



<sup>\*</sup> An alternative allocation mechanism can only be applied in Open Season Procedures and if the default allocation mechanism prevents a positive economic test

# Timeline for incremental proposal Development and consultation overview



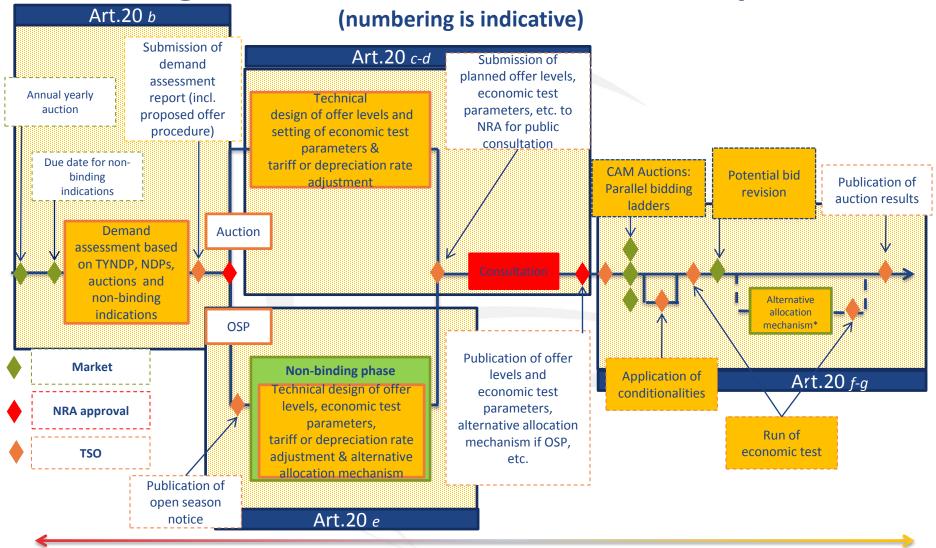


# The refinement phase: Putting the last segments of the puzzle together





### Refining the order of articles to reflect process



Ongoing co-ordination among TSOs and NRAs involved along the process



<sup>\*</sup> An alternative allocation mechanism can only be applied in Open Season Procedures and if the default allocation mechanism prevents a positive economic test

## Thank you for your attention



